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COMMENTS ON THE POSITION PAPER FOR WATER RESOURCE MANAGEMENT

USAID GOVERNING FOR GROWTH (G4G) IN GEORGIA

30 September 2015

This publication was produced for review by the United States Agency for International Development. It was prepared by Deloitte Consulting LLP. The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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USAID CONTRACTING OFFICER'S

REPRESENTATIVE: REVAZ ORMOTSADZE

AUTHOR(S): KETEVAN SKHIRELI

WATER RESOURCE MANAGEMENT: 3600

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Reviewed by: Milo Stevanovich, Natalia Beruashvili, Gvantsa Pochkhua,
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ACRONYMS

CENN	Caucasus Environmental NGO Network
DSS	Decision Support System
EU	European Union
G4G	Governing for Growth in Georgia
GoG	Government of Georgia
IWRM	Integrated Water Resource Management
MENPR	Ministry of Environment and Natural Resources Protection of Georgia
NALAG	National Association of Local Authorities
NGO	Non-Governmental Organization
USAID	United States Agency for International Development
UWSCG	United Water Supply Company of Georgia
CSO	Civil Society Organization
WFD	Water Framework Directives
WRM	Water Resource Management
WWF	World Wide Fund for Nature

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EXECUTIVE SUMMARY

This report was prepared by Governing for Growth (G4G) as a part of its efforts to strengthen the Government of Georgia's (GoG) capacity in water resource management. Under the above-mentioned component, G4G aimed to equip its counterparts with the skills in position paper writing for the purpose of the effective public engagement during the water resource management planning. To this end G4G held training for the Environmental Information and Education Centre on the techniques of delivering position papers related to water management (August 10, 2015) and discussed challenges in water sector with the different stakeholders, including Civil Society Organizations (CSOs), such as: National Association of Local Authorities (NALAG), Caucasus Environmental NGO Outlook (CENN), World Wide Fund for Nature (WWF), etc.

At the same time, based on the agreement between NALAG and G4G, NALAG produced a position paper on water resource management issues to set grounds for future cooperation between G4G and NALAG within the water sector. In response to the request NALAG submitted a position paper (as of September 10, 2015) for further consideration to G4G.

This report reflects recommendations developed by G4G against the position paper prepared by NALAG. While developing recommendations, G4G based its judgment on the findings from the water sector assessment (G4G, 2015), Roadmap towards water resource management planning (Palazzotto, 2015) and observations from the interviews with different stakeholders.

Recommendations identify most important areas for better management of water resources in Georgia, which are:

- Development of The Decision Support System (DSS)
- Establishment of Relevant Competent Authorities (River Basin Councils)
- Support Transparency of Decision-Making and Public Involvement and
- Development of National Water Policy

BACKGROUND

This report was prepared by G4G as a part of its efforts to strengthen GoG capacity in the area of water resource management. Under the above-mentioned component, G4G aimed to equip its counterparts with the skills in position paper writing for the purpose of the effective public engagement during the water resource management planning. To this end G4G held training for the Environmental Information and Education Centre on the techniques of delivering position papers related to water management (August 10, 2015) and discussed challenges in water sector with the different stakeholders, including Civil Society Organizations (CSOs), such as: NALAG, CENN, WWF, etc.

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OVERVIEW OF THE POSITION PAPER

Position Paper (referred as a paper, here and after) developed by NALAG shortly describes existing gaps within the water sector. Lack of the proper legislation is seen as the main challenge in the paper. While absence of a proper legal framework is considered as an important gap by all the important players within the sector (GoG, CSOs, NGOs), paper fails to explore challenges related to proper decision-making structure in more details.

Also, Position Paper did not consider properly introduction of the mechanisms of the effective and transparent communication and decision-making system.

Although, River Basin Councils are mentioned in the paper, further guidance on the establishment of the relevant competent authorities (i.e. River Basin Councils) is missing.

Finally, paper is more focused on remedies at local (river basin) level, rather than national one. It totally leaves out importance of the national policy development for water resource allocation.

RECOMMENDATIONS

Recommendations below reflect the comments on the position paper on water resource management in Georgia (NALAG, September 2015). This is a summary of the main areas which need further improvement in order to establish effective and sustainable water resource management both at the river basin scale and at the national level:

1. Development of a Decision Support System

The base of all decisions about the use and fair allocation of the water resources relies on hydrological and meteorological data that inform decision makers about the available quantity of the resource in a certain river basin. For this reason, the creation of a Decision Support System based on hydrological data is the first step to build an evidence based decision making process.

2. Establishing River Basin Councils

In line with the European Water Framework Directive (WFD), the river basin is chosen as the natural geographical and hydrological unit and single system of water management.

According to the WFD, the “competent authority” has general responsibility for ensuring the Directive is given effect. The authority also has specific responsibilities for ensuring that appropriate economic analysis is carried out, approving proposals for environmental objectives and programs of measures and approving the draft river basin management plans.

It should be ensured that the activities of the River Basin Council will be in line with the EU requirements and reflect national priorities.

The structure of the River Basin Council has been already defined but it is pending the approval of the main law for Water Management to be formalized.

3. Developing a Transparent Decision Making Process and Related Communication Plan

While the creation of a Decision Support System is the first step to enable decisions about the use of water, clarity and transparency on the actual decision making process is fundamental for anticipating conflicts and finding the best solutions.

The River Basin Council needs transparent and accurate information for weighing options and to discuss appropriate solutions. This will require development of adequate capacity for the visualization of raw data in a clear and easy to read form, in order to illustrate information such as the comparison between the annual hydro-meteorological profile with the curb of water demand along the same period of time, highlighting potential conflicts (times of the year where the demand exceeds the available quantity).

Solutions may entail the upgrade of the existing infrastructures or the need for the new equipment, or they may reveal that a simple coordination between competing users could help going around existing conflicts. In some cases, compensation systems between users can be a temporary solution while working on a more sustainable option. The compensation system is present in the draft law and will require the development of a national policy to set the main principles of the negotiation mechanisms. Nevertheless, in absence of a specific policy, direct negotiation among actors can be quite effective in reaching agreements about the use of the resource while compensating each other's losses.

The decision making process is then two-fold: on one side it serves the purpose of identifying long-term interventions for final solutions to existing conflicts, on the other it facilitates water allocation decisions based on the existing situation.

Every year the impact of the decisions reached by the River Basin Council, whether by consensus or through negotiations, will need to be assessed: the evaluation should focus on the overall benefit of

the solutions adopted, including the economic benefit for the residents of the river basin, changes in productivity and employment rate of the area, improvement of environmental standards etc.

The evaluation of the impact may be needed on a yearly basis for the first few years, until the River Basin Council¹ reaches a thorough understanding of the most efficient use of the resource, based on specific indicators that will be developed and weighed along the process. Nevertheless, in case of extreme events (prolonged draught or excess of precipitations) the role of the River Basin Council is to ensure appropriate and effective coordination among the stakeholders to maximize the benefits and minimize damages.

The River Basin Council should also play a role in case of new urban development plans or construction of new infrastructures, especially roads that can significantly impact the hydrological system. A water modelling capacity should be acquired by the DSS, in order to provide sufficient understanding of the possible impact of new development and anticipate potential issues at the design stage, when is still possible to discuss options and identify solutions.

A Communication Plan is the key tool for an effective Decision Making Process and needs to be developed as soon as the River Basin Council is formed. The Communication Plan incorporates the following principles:

Transparency: the communication needs to be transparent and faithful at all time, and for this reason needs to be public, possibly hosted by the Environmental Information and Education Centre of the Ministry of Environment and Natural Resources Protection (MENRP).

Relevance: the communication needs to be relevant for its recipients. Unnecessary communication will bring to loss of attention and eventually interest.

Effectiveness: the right level and amount of information has to be delivered to stakeholders based on their level of interest and involvement in the decision making process (e.g. farmers may be interested in knowing the quantity and timing of the distribution of the resource along the year, representatives of civil society organization may be concerned by the impact on the environment and the overall quality of the resource, householders by its availability and quality for personal use).

Clarity: information needs to be clear and understandable to the target audience. Complicated hydro-meteorological data as well as economic analysis need to be communicated in simple terms to non-technical stakeholders such as householders and farmers in order to empower their active participation to the public debate about the use of the resource.

The Communication Plan will outline the main lines of communication between different stakeholders at local level as well as with the national level. Particularly important will be the communication with the State Committee that is planned to be created with the approval of the law on water resources management and will monitor the alignment of local decision with national guidelines. A template of the Communication Plan will be developed with the support of the Water Management Service. The template will need to be made available and accessible on the Environmental Information and Education Centre website. The template should leave flexibility in order to be adapted to the specific circumstances of each River Basin.

4. Towards a National Water Resources Policy

The need of consolidating the national policy on water resources management in one place is particularly important for Georgia, where the absence of single specific institution in charge of the whole sector creates uncertainty about the right of access and lack of comprehensive understanding of the present use and distribution of the resource. At present a number of Ministries share the responsibility for the protection of water bodies and regulation about its use, depending on the

¹ Water Framework Directive obliges member states to identify and establish appropriate competent authorities for each river basin districts to ensure proper administrative arrangements within each river basin district (Article 3). In response to the WFD requirement, Government of Georgia developed a draft law on water resource management which envisages establishment of the river basin councils as competent authorities.

location of the water body, its characteristics and the intended use. As a result, existing rules are not easy to follow nor to enforce them.

A comprehensive policy for Water Resources Management is especially important for Georgia in order to create a favorable environment for long-term investments in hydropower generation, ensuring a sustainable and yet profitable use of its water resources.

A comprehensive policy would also help framing the discussion about specific issues such flood risk management and environmental protection at the more technical and pragmatic level, with a focus on the solutions rather than on the conflicts.

APPENDIX A: POSITION PAPER OF NALAG

Draft for Discussion

The new draft law and overall legislative package on Integrated Water Resource Management (IWRM) is not yet approved by the GoG and in some aspects does not provide clear guidance of future steps. Some parts of it are ambiguous and do not give certainty on institutional and organizational model selected for Integrated Water Resource Management implementation in Georgia. Bearing in mind the above-mentioned, NALAG proposes G4G to focus its work on areas, which will not need in the future (after harmonization of Georgian legal framework with EU Acquis) tailoring to officially approved guidelines, methodologies and/or legal framework. The proposed interventions are:

- Local stakeholders identification assessment
- Characterization of the river basins
- Overall analysis of financial implications for the country (all stakeholders) related to harmonization of national legislation with EU acquis
- Provision of trainings and capacity building to different stakeholders
- As a hard measure, support in improvement of monitoring system
- Support in capacity building related to national statistics and information collection
- Information dissemination

Only after final decision of the Government of Georgia (GoG) on management model, provision of support in drafting of additional legal acts or regulations, management plans, establishment of water councils, etc. additional assistance might be provided. Meanwhile, it will be good if intervention of G4G in implementation of this component will be in advance agreed with GoG.

Note 1

Special attention should be paid to the organic law “Local Self-Government Code”. According to the Law, water supply and sanitation (waste water management) is statutory function of municipalities. However, according to the mission of the of the United Water Supply Company of Georgia (UWSCG) is responsible to ensure continues and 24-hour drinking water supply to the population, arrangement of water supply and drainage systems in all regional centers and cities of Georgia, and approximation of this system to the world standards. The company covers all urban settlements of Georgia, excluding Tbilisi, Mtskheta, Rustavi and Autonomous Republic of Adjara. It seems that while planning IWRM in Georgia the MENRP refers on functions of the latest, i.e. UWSCG. This issue should be clarified and responsibilities of municipalities in WFD should be defined and/or tailored in this context.

Note 2

Moreover, if the UWSCG is operating only in urban areas and is not covering rural settlements, G4G can focus its work also on rural settlements (where centralized sewage network and water supply system does not exist) and initiate policy dialogue on introduction of EU standards there.

At this stage NALAG proposes the following action plan:

Assessment²

- Identification of river basins and its characterization
- Identification of economic sectors in the basin (overall and by municipalities)
- Identification of stakeholders and assessment of water outtake and discharge (quality/quantity assessment) by sectors and stakeholders
- Identification of existing financial resources spending on water supply and purification (through revision of different stakeholders budgets, if will be provided)
- Drafting of summary analysis

Organization of Information Dissemination

Presentation of WFD and its possible implication of water management in Georgia to different stakeholders (by group and individually)

Organization of study tours to European countries for different local stakeholders to demonstrate how river basin management works (visits to relevant stakeholders in EU; demonstration process of water management councils operation, negotiations of water balance – hierarchy of prioritization/decision-making)

Capacity Building for Local Stakeholders

Local stakeholders should in advance be aware about the implications of harmonization of national legislation with EU Acquis in water sector. Organization of trainings and workshops, including practical ones for local stakeholders (business, municipalities, etc.) will prepare grounds for implementation of WFD at the local level.

In consultation with the MENRP and its regional offices establishment of information data-base on water resources in municipalities (better if it will be based on basin principal, regional offices of the MENRP be used as info collection/storage points).

Additional Interventions

Capacity building and trainings should be provided to regional offices of the MENRP.

Special attention should be paid to capacity building of monitoring stations of MENRP through provision of a) new data collection/monitoring requirements, b) identification and justification for a new network of monitoring stations and its capacity, etc.

² It is worth to involve municipality in the process of assessment from very beginning. Even if they will not have information it's better if they will be involved in process of information collection from early stage.

USAID Governing for Growth (G4G) in Georgia

Deloitte Consulting Overseas Projects LLP

Address: 85 Z. Paliashvili Street, Tbilisi

Phone: +995 322 240115 / 16

E-mail: info@g4g.ge